



4008

ANNUAL REPORT

of

Name: CTC TELCOM, INC.

Principal Office: 110 NORTH SECOND AVENUE
P.O. BOX 164
DALLAS, WI 54733
PO Box Zip: 54733

For the Year Ended: DECEMBER 31, 2002

**Alternative Telecommunications Utility --
Other Telecommunications Provider**

To

Public Service Commission of Wisconsin

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
E-mail:	pscrecs@psc.state.wi.us
Telephone:	(608) 267-9504
Facsimile:	(608) 266-3957
Home Page:	http://psc.wi.gov

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required unless additional provisional confidential treatment is desired.**
Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report Program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH).
3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The OTH annual report program incorporates provisional confidentiality capability for the following item, based on the Commission's Information Regarding Confidential Filings decision dated February 24, 2003, as supplemented for the new Nonregulated Revenues category on the Operating Revenues schedule:
 - a. Operating Revenues (Particulars, Wisconsin-Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company columns) (pp. 14-15) (Miscellaneous Revenues and Nonregulated Revenues descriptions, other than Video Distance Learning and Directory appearing in the report form, contained in the Particulars column (column a) and respective dollar amounts reported for the Miscellaneous Revenues and Nonregulated Revenues categories in the columns labeled Wisconsin-

RULES FOR REPORTING

Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company);

- b. Central Office Data-End of Year (p. 19)
 - i. Integrated Service Digital Network (ISDN) Lines-In Use (BRI);
 - ii. ISDN Lines-In Use (PRI);
 - iii. xDSL Lines-In Use;
 - iv. Switched 56 lines in use;
 - v. Digital Transmission Facilities: DS-1-In use;
 - vi. Digital Transmission Facilities: DS-3-In use;
 - vii. Video Information Service-In use (# lines); and
 - viii. Fiber Transmission Facilities: No. of fiber strands working (LIT) in C.O.

If additional provisional confidential treatment is desired, please contact the Commission concerning required manual filing procedures. In this situation, do not file the annual report electronically using the program's e-mail filing capabilities.

- 13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy annual report printout with the Commission.

14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

RULES FOR REPORTING

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to an electronic filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

17. Municipalities authorized by the Commission as competitive local exchange carriers (CLECs) should report only the CLEC-related amounts in the OTH annual report.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CTC TELCOM, INC.
Utility Location: 110 NORTH SECOND AVENUE
P.O. BOX 164
DALLAS, WI 54733
PO Box Zip: 54733

Utility Web Site Address: NONE
Date utility authorized to provide service in Wisconsin: 07/31/1997
State in which utility was organized: Wisconsin
Organization type (e.g., corporation, partnership): Corporation
New Utility Name:

Effective Date:

Telephone numbers for potential customers to contact company:
Business Customers: (715) 837 - 1011 Ext:
Residential Customers: (715) 837 - 1011 Ext:

Officer in charge of correspondence concerning this report

Name: MR. RICK VERGIN
Title: CHIEF EXECUTIVE OFFICIER
Firm/Company: CHIBARDUN TELEPHONE COOPERATIVE
Office Address: 110 NORTH SECOND AVENUE
P.O. BOX 164
DALLAS, WI 54733-0164

Fax Number: (715) 837 - 1196
Telephone Number: (715) 837 - 1011
Email Address: rvergin@chibardun.net

Individual or firm, if other than utility employee, preparing this report

Name: MR. GARY L. MEIER
Title: CERTIFIED PUBLIC ACCOUNTANT
Firm/Company: SIEPERT & CO. LLP
Office Address: 1920 WEST HART ROAD
BELOIT, WI 53511

Fax Number: (608) 364 - 8727
Telephone Number: (608) 365 - 2266
Email Address: gmeier@siepert.com

Name and address of the office where the utility's books are kept

Name: MS. ANDREA NEUBICH
Title: CONTROLLER
Firm/Company: CHIBARDUN TELEPHONE COOPERATIVE
Office Address: 110 NORTH SECOND AVENUE
P.O. BOX 164
DALLAS, WI 54733

Fax Number: (715) 837 - 1196
Telephone Number: (715) 837 - 1011
Email Address: aneubich@chibardun.net

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	CHIBARDUN TELEPHONE COOPERATIVE, INC.
Address:	110 NORTH SECOND AVENUE PO BOX 164 DALLAS , WI 54733-0164
Number of Shares Held:	2,000
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	NONE
Form of Interest:	NONE
Extent of Interest:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues	4,920,823	4,920,314	1
OPERATING EXPENSES			
Access and Billing Expenses	123,388	241,628	2
Local Interconnection	647,554	706,501	3
Other Charges Imposed by Another Carrier	0	0	4
Communication System Operations	342,811	307,667	5
Sales and Marketing	0	0	6
Administrative and General	1,255,358	1,381,452	7
Depreciation and Amortization	1,281,573	1,181,603	8
Other	530,771	291,512	9
Total Operating Expenses	4,181,455	4,110,363	10
Net Operating Income	739,368	809,951	11
OTHER INCOME			
Nonoperating Income and Expense	(198)	213,474	12
Nonoperating Taxes	0	68,378	13
Interest and Related Items	738,667	1,034,587	14
Extraordinary Items	0	0	15
Nonregulated Net Income	347,000	277,308	16
Total Nonoperating Income	(391,865)	(612,183)	17
Net Income	347,503	197,768	18

Income Statement - Total Company Note:

Disclose additional material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable, including:

1. A summary of significant accounting policies, including, but not limited to, accounting policies related to pension cost, unbilled revenues, and income taxes.
2. The method of computing depreciation expense.

A. CTC Telcom is a wholly owned subsidiary of Chibardun Telephone Cooperative. B. The Parent company provides CTC Telcom with normal plant construction and maintenance, customer billing and collections, accounting and management services at its cost plus a return on allocated costs and capital assets used by the subsidiary. Charges in 2002 amounted to \$1,917,255 of which \$194,799 was capitalized. C. Telephone and cable TV plant in service is recorded at original cost. Interest is also capitalized on major construction projects. No interest was capitalized in 2002. D. The company computes depreciation for telecommunications and cable TV plant using the straight-line method for book reporting. Tax depreciation has been computed using the Modified Accelerated Cost Recovery System. E. The Company is organized as a C corporation and is subject to federal and state income taxes. The Company is included in a consolidated federal income tax filing with the Parent. Net operating losses are available to be used to reduce state taxable income in future years.

INCOME STATEMENT - WISCONSIN INTRASTATE OPERATIONS

Particulars (a)	Wisconsin Intrastate % This Year (b)	This Year (c)	Last Year (d)	
Operating Revenues	86.00%	4,406,358	4,073,000	1
OPERATING EXPENSES				
Access and Billing Expenses	86.00%	106,632	178,338	2
Local Interconnection	100.00%	647,554	706,501	3
Other Charges Imposed by Another Carrier	0%	0	0	4
Communication System Operations	86.00%	296,257	254,687	5
Sales and Marketing	0%	0	0	6
Administrative and General	86.00%	1,084,880	1,143,566	7
Depreciation and Amortization	86.00%	1,107,535	978,131	8
Other	86.00%	38,856	241,314	9
Total Operating Expenses	86.00%	3,281,714	3,502,537	10
Net Operating Income	86.00%	1,124,644	570,463	11
OTHER INCOME				
Nonoperating Income and Expense	100.00%	(198)	213,474	12
Nonoperating Taxes	0%	0	68,378	13
Interest and Related Items	100.00%	738,667	1,034,587	14
Extraordinary Items	0%	0	0	15
Nonregulated Net Income	100.00%	347,000	277,308	16
Total Nonoperating Income	100.00%	(391,865)	(612,183)	17
Net Income	34.00%	732,779	(41,720)	18

Income Statement - Wisconsin Intrastate Operations Note:

Please state the bases upon which the Wisconsin intrastate factors were developed and provide supporting calculations.

Operating revenues and expenses reported above are primarily from telecommunications activities. The intrastate operating revenue of 86.42% excludes interstate access charged to carriers. This percentage would also be applied to operating expenses including access and billing expenses.

TOTAL COMPANY BALANCE SHEET - ASSETS

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
Cash and Cash Equivalents	0	0	1
Net Telecommunications Accounts Receivable	1,073,618	1,444,330	2
Net Other Accounts Receivable	82,171	60,837	3
Net Notes Receivable	0	0	4
Interest and Dividends Receivable	0	0	5
Materials and Supplies	0	0	6
Prepayments	14,707	34,741	7
Other Current Assets	0	0	8
TOTAL CURRENT ASSETS	1,170,496	1,539,908	
NONCURRENT ASSETS			
Investments in Affiliated Companies	0	0	9
Investments in Nonaffiliated Companies	1,146,983	1,112,019	10
Other Noncurrent Assets	407,367	418,000	11
Deferred Charges	0	0	12
TOTAL NONCURRENT ASSETS	1,554,350	1,530,019	
PLANT			
Telecommunications Plant in Service	17,792,120	16,861,380	13
Less: Accumulated Depreciation and Amortization	3,899,930	2,425,372	14
Net Property Held for Future Telecommunications Use	61,500	0	15
Net Nonoperating Plant	2,393,523	2,581,494	16
Telecommunications Plant Under Construction	6,513	0	17
Net Telecommunications Plant Adjustment	0	0	18
TOTAL PLANT	16,353,726	17,017,502	
TOTAL ASSETS AND OTHER DEBITS	<u>19,078,572</u>	<u>20,087,429</u>	

TOTAL COMPANY BALANCE SHEET - LIABILITIES AND CAPITAL

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts and Notes Payable to Affiliated Companies	482,394	805,340	1
Other Accounts and Notes Payable	22,767	246,001	2
Advance Billing and Payments	0	0	3
Customer Deposits	0	0	4
Current Maturities - Long-Term Obligations	1,214,000	1,133,000	5
Taxes Accrued	0	0	6
Other Current and Accrued Liabilities	125,094	126,009	7
TOTAL CURRENT LIABILITIES	1,844,255	2,310,350	
LONG-TERM DEBT			
Net Funded Debt	0	0	8
Obligations Under Capital Leases	0	0	9
Advances from Affiliated Companies	700,000	700,000	10
Other Long-Term Debt	7,904,023	9,164,422	11
TOTAL LONG-TERM DEBT	8,604,023	9,864,422	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities	0	0	12
Unamortized Investment Tax Credits	0	0	13
Net Noncurrent Deferred Income Taxes	1,290,557	920,423	14
Other Deferred Credits	0	0	15
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,290,557	920,423	
STOCKHOLDERS' EQUITY			
Capital Stock and Paid-In Capital	4,770,000	4,770,000	16
Other Capital	0	0	17
Retained Earnings	2,569,737	2,222,234	18
TOTAL STOCKHOLDERS' EQUITY	7,339,737	6,992,234	
TOTAL LIABILITIES AND OTHER CREDITS	19,078,572	20,087,429	

TOTAL COMPANY BALANCE SHEET - NOTES

Other information concerning the total company balance sheet.

RETAINED EARNINGS - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Balance - First of Year	2,222,234	2,538,920	1
Changes:			
Balance Transferred from Income	257,435	197,768	2
Dividends Declared	0	0	3
Miscellaneous Debits to Retained Earnings	0	514,454	4
Miscellaneous Credits to Retained Earnings	0	0	5
Balance - End of Year	2,479,669	2,222,234	6

TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN

Plant Function (a)	Plant in Service FOY (b)	Additions (c)	Retirements (d)	
GENERAL SUPPORT				
LAND/BUILDINGS	614,934	0	0	1
OFFICE EQUIPMENT	54,106			2
GENERAL PURPOSE COMPUTER	5,096	387,114		3
FURNITURE	0	12,019		4
CENTRAL OFFICE				
DIGITAL ELECTRONIC SWITCHING	2,362,008	57,342	0	5
SUBSCRIBER LINE CONCENTR.	3,133,590	180,335	228,327	6
INFORMATION ORIG./TERM.				
Enter Description Here	0	0	0	7
CABLE WIRE FACILITIES				
BURIED CABLE	7,917,407	434,173	905	8
BURIED FIBER	2,573,338	30,977		9
BURIED DROPS/CONDUIT	200,903	58,010		10
AMORTIZABLE				
Enter Description Here	0	0	0	11
TOTAL PLANT IN SERVICE	16,861,382	1,159,970	229,232	

TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION & AMORTIZATION - WISCONSIN (cont.)

Plant Function (e)	Transfers / Adjustments (f)	Plant in Service EOY (g)	Acc. Depr. & Amortization EOY (h)	Net Plant in Service EOY (i)	
GENERAL SUPPORT					
LAND/BUILDINGS	0	614,934	67,398	547,536	1
OFFICE EQUIPMENT		54,106	25,992	28,114	2
GENERAL PURPOSE COMPU		392,210	314,658	77,552	3
FURNITURE		12,019	1,002	11,017	4
CENTRAL OFFICE					
DIGITAL ELECTRONIC SWITC	(824,149)	1,595,201	735,624	859,577	5
SUBSCRIBER LINE CONCEN	824,149	3,909,747	951,455	2,958,292	6
INFORMATION ORIG./TERM.					
Enter Description Here	0	0	0	0	7
CABLE WIRE FACILITIES					
BURIED CABLE	0	8,350,675	1,368,821	6,981,854	8
BURIED FIBER		2,604,315	409,767	2,194,548	9
BURIED DROPS/CONDUIT		258,913	25,213	233,700	10
AMORTIZABLE					
Enter Description Here	0	0	0	0	11
TOTAL PLANT IN SERVICE	0	17,792,120	3,899,930	13,892,190	

OPERATING REVENUES

Particulars (a)	Wisconsin- Based Intrastate (b)	Wisconsin- Based Interstate (c)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	2,751,610		1
Reciprocal Compensation & Interconnection			2
Private Line, Special Access & Unbundled Network Elements			3
Enter Other Description Here			4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge			5
Switched		668,369	6
Special			7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	1,298,287		8
Special			9
Enter Other Description Here			10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
LONG DISTANCE MESSAGE CHARGES	490,400		11
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here			12
MISCELLANEOUS REVENUES			
Video Distance Learning	---CONF---	---CONF---	13
Directory	---CONF---	---CONF---	14
---CONF---	---CONF---	---CONF---	15
GROSS OPERATING REVENUES	4,765,468	668,369	
UNCOLLECTIBLE REVENUES			
UNCOLLECTIBLE REVENUES	359,110	153,904	16
TOTAL UNCOLLECTIBLE REVENUES	359,110	153,904	
TOTAL OPERATING REVENUES	4,406,358	514,465	

OPERATING REVENUES (cont.)

Particulars (d)	Wisconsin- Based Total (e)	Total Company (f)	
LOCAL NETWORK SERVICES REVENUES			
End User Retail	2,751,610	2,751,610	1
Reciprocal Compensation & Interconnection	0		2
Private Line, Special Access & Unbundled Network Elements	0		3
Enter Other Description Here	0		4
NETWORK INTERSTATE ACCESS SERVICE REVENUES			
End User Line Charge	0		5
Switched	668,369	668,369	6
Special	0		7
NETWORK INTRASTATE ACCESS SERVICE REVENUES			
Switched	1,298,287	1,298,287	8
Special	0		9
Enter Other Description Here	0		10
LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES			
LONG DISTANCE MESSAGE CHARGES	490,400	490,400	11
LONG DISTANCE PRIVATE NETWORK REVENUES			
Enter Description Here	0		12
MISCELLANEOUS REVENUES			
Video Distance Learning	---CONF---	---CONF---	13
Directory	---CONF---	---CONF---	14
---CONF---	---CONF---	---CONF---	15
GROSS OPERATING REVENUES	5,433,837	5,433,837	
UNCOLLECTIBLE REVENUES			
UNCOLLECTIBLE REVENUES	513,014	513,014	16
TOTAL UNCOLLECTIBLE REVENUES	513,014	513,014	
TOTAL OPERATING REVENUES	4,920,823	4,920,823	

AVERAGE NUMBER OF SUBSCRIBERS

Average Number of Subscribers (a)	Wisconsin-Based Total (b)	Total Companyl (c)	
Residential	5,551	5,551	1
Business	2,179	2,179	2
Total	7,730	7,730	3

NUMBER OF LIFELINE AND LINKUP CUSTOMERS

Number of Lifeline and Linkup Customers (a)	Wisconsin (Actual No.)(b)	
Number of Lifeline Customers in Wisconsin at December 31, 2002		1
Number of Linkup Customers in Wisconsin Connected During 2002		2

ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER

Particulars (a)	Wisconsin- Based Intrastate (b)	Wisconsin- Based Interstate (c)	
ACCESS AND BILLING EXPENSES			
Carrier Common Line (Intrastate IntraLATA)			1
Carrier Common Line (Intrastate InterLATA)			2
Carrier Common Line (Interstate)			3
Switched Access			4
Special Access			5
Billing and Collection Expenses	106,632	16,756	6
TOTAL ACCESS AND BILLING EXPENSES	106,632	16,756	
CHARGES IMPOSED BY ANOTHER CARRIER			
Expenses Related to Interconnection with Another Local Exchange Carrier's Facilities	647,554		7
Expenses Related to the Wholesale Use of Another Carrier's Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings			8
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	647,554	0	
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	754,186	16,756	

ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER **(cont.)**

Particulars (d)	Wisconsin- Based Total (e)	Total Compnay (f)	
ACCESS AND BILLING EXPENSES			
Carrier Common Line (Intrastate IntraLATA)	0		1
Carrier Common Line (Intrastate InterLATA)	0		2
Carrier Common Line (Interstate)	0		3
Switched Access	0		4
Special Access	0		5
Billing and Collection Expenses	123,388	123,388	6
TOTAL ACCESS AND BILLING EXPENSES	123,388	123,388	
CHARGES IMPOSED BY ANOTHER CARRIER			
Expenses Related to Interconnection with Another Local Exchange Carrier`s Facilities	647,554	647,554	7
Expenses Related to the Wholesale Use of Another Carrier`s Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	0		8
TOTAL CHARGES IMPOSED BY ANOTHER CARRIER	647,554	647,554	
TOTAL ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER	770,942	770,942	

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Rate Center Name	BARRON	CHETEK	RICE LAKE		1
Central Office (Switch) CLLI Code	BRRNWIAKRSO	CHTKWIO1RSO	RCLKWIO2RSO		2
Switch Location	BARRON	CHETEK	RICE LAKE		3
Manufacturer of COE	SI	SI	SI		4
Year COE Installed	1997	2000	1998		5
Type of Equipment	EWSD	DLC	EWSD		6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	R	A	R		7
Remote Host Rate Center Name	1370		1370		8
Remote Host Switch CLLI Code	BRRNWIAKRSO		RCLKWIO2RSO		9
COE Generic Software Release No.	19	19	19		10
SS7?	No	No	No		11
9-1-1?	Yes	Yes	Yes		12
Access Lines - In Use	2,726	641	4,363		13
- Equipped	5,069	2,048	10,685		14
- Wired	5,069	2,048	10,685		15
Trunks - In Use	132	96	132		16
- Equipped	132	96	132		17
- Wired	132	96	132		18
ISDN Available?	Yes	Yes	Yes		19
ISDN Lines - In Use (BRI)	---CONF---	---CONF---	---CONF---		20
- In Use (PRI)	---CONF---	---CONF---	---CONF---		21
xDSL Available?	Yes	Yes	Yes		22
- In Use (# lines)	---CONF---	---CONF---	---CONF---		23
Switched 56 Service?	Yes	Yes	Yes		24
Switched 56 lines in use	---CONF---	---CONF---	---CONF---		25
Digital Transmission Facilities: DS-1 - In Use	---CONF---	---CONF---	---CONF---		26
DS-3 - In Use	---CONF---	---CONF---	---CONF---		27
Advanced Data Service Available:					
Packet Switching?	No	No	No		28
SMDS?	No	No	No		29
Frame Relay?	Yes	Yes	Yes		30
ATM (Asynchronous Trans. Mode)?	No	No	No		31
Video Information - Service Available?	No	No	No		32
- In Use (# lines) ¹	---CONF---	---CONF---	---CONF---		33
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	128	432	532		34
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---	---CONF---		35
No. of fiber strands for interoffice use	14	60	28		36
Miles of fiber sheath in wire center	18	15	14		37
Access Tandem Serving this C.O.:					
- Central Office Name	DALLAS	DALLAS	DALLAS		38
- Central Office CLLI Code	DLLSWIXADSA	DLLSWIXADSA	DLLSWIXADSA		39
Does this C.O. do access tandem switching?	No	No	No		40

¹ Teleco provided end-to-end facility.

ASSESSABLE REVENUES

Description (a)	This Year (b)
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	
Gross Operating Revenues--Wisconsin (including outbound interstate revenues)	5,433,837 1
Less: Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any)	0 2
Less : Current Year Write-offs of Uncollectible Revenues	513,014 3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0 4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)	6
Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,920,823 7

Assessable Revenues for Universal Service Fund Assessment Purposes

Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	4,540,297 8
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Notes

"Gross Operating Revenues--Wisconsin" are revenues before consideration of uncollectible revenues. These revenues include revenues from inbound interstate 800 and collect calls billed to customers in Wisconsin.

"Outbound interstate revenues" are service operations revenues received from communications originating at points within Wisconsin and terminating at points outside the state.

"Inbound interstate revenues" are service operations revenues received from communications originating at points outside the State of Wisconsin and terminating at points within the state.

(NOT TO BE EXCLUDED HERE ARE INBOUND INTERSTATE 800 AND COLLECT REVENUES BILLED TO CUSTOMERS IN WISCONSIN).

"Gross" means revenue before consideration of uncollectible amounts. Access expenses may not be netted against assessable revenues.

"Intrastate" means telecommunications service originating and terminating within the State of Wisconsin. Intrastate revenue does not include interstate access revenue.

"Operating" means provision of telecommunications services.

"Telecommunications service revenue" for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous or nonregulated revenue. However, it does include video distance learning revenue and payphone revenue (the latter which was deregulated in 1997).

OTHER INFORMATION

Additional or other information concerning this annual report.

Board of Directors
CTC TELCOM, INC.
Dallas, Wisconsin

The Balance Sheets of CTC Telcom, Inc. as of December 31, 2002 and 2001 and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and nonfinancial data included on pages 7 and 11 through 20 of the prescribed forms.

Our compilations were limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include the statements of cash flows and all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP
Certified Public Accountants

Beloit, Wisconsin

March 31, 2003

SCHEDULE AND REPORT NOTES

General Footnote

Schedule Footnotes

Identification and Ownership Footnote. Page 5
